

DEPARTMENT OF DEFENSE

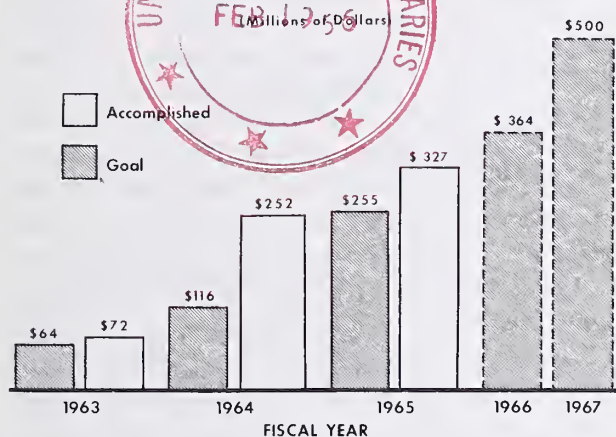
COST REDUCTION REPORT



Published by the Directorate for Cost Reduction
Office of the Assistant Secretary of Defense
(Installations and Logistics)

Issue No. 11 February 1966

VE GOALS AND ACCOMPLISHMENTS TO DATE



VE ADDS NEW ZIP

The war on "goldplating" is being geared up to hit a faster pace. The quicker tempo is highlighted by the current recruitment drive for 265 value engineers. The objective is to pinpoint and eliminate unneeded qualities in Defense items. Key prod to the drive is a fiscal year 1967 savings goal of \$500 million for the DoD value engineering program.

The buildup follows Secretary McNamara's request of last February to the Military Departments and the Defense Supply Agency for a stepped-up assault on unnecessary qualitative features in the million of parts and items being procured.

The personnel add-on was recommended by a Value Engineering Evaluation Group charged with reviewing departmental and DSA proposals responding to the Secretary's request. Qualified applicants for the 265 positions appear plentiful. One military department received over 100 applications while job descriptions

(See NEW ZIP, page 18)

SHIRT SLEEVE PROBLEM SOLVING

Navy cost reduction coordinators at air stations, ordnance plants, ammunition depots and research laboratories are receiving down-to-earth how-to-do-it advice at BuWeps five cost reduction program workshops.

The workshop format is simple but effective. Representatives from the Bureau, Office of Navy Material, and Office of the Navy Auditor General serve as a panel to direct the meetings and respond to station problems and questions. Informality and total participation are emphasized. Impromptu presentations are made on specific cost reduction projects. Discussions are outspoken and results definitive. Essentially all problems are resolved on the spot. Participants consider the workshops an effective forum for the exchange of ideas. The first two workshops were hosted by NAS Alameda and NAS North Island on the west coast. The Naval Underwater Ordnance Station, Newport, R.I., hosted the third workshop in November. The fourth and fifth will be held in the Midwest and South early in calendar year 1966.

Cost Reduction *Report*

Published by the Directorate for Cost Reduction, Office of the Assistant Secretary of Defense (Installations and Logistics).
Issue #11

Editorial Page

PROVE IT OR LOSE IT

We noted with some satisfaction that you do not have to be a cost reducer to receive a cost reduction award. Program administrators are recognized too.

Take the case of recent recipient Flavius Dodge, Cost Reduction Program Monitor at the Air Force Western Test Range. To our way of thinking, his insistence that thorough documentation accompany each claim for a cost reduction contributed more to the program's success at the range than any single cost reduction action. Almost 100 percent of the range's cost reduction items were validated by the USAF resident auditor contrasted with an average 50 percent for other organizations.

The award highlights the fact that the world's best cost reduction idea will not get counted in this program unless it is documented and proved—the hard way—to the auditor.

ELECTRIFYING THOUGHT

When inspiration strikes, dial 2222—if you happen to be at Fort Eustis, Va. That phone reaches a stenographer who will record your flash of genius on the right forms for your signature.

Dial-A-Suggestion is a boon to anyone prone to forget his good idea or dismayed by the paperwork hurdle in the formal suggestion process.

Fifty-eight of 205 phoned suggestions were approved in the system's initial 6 months of operation at Fort Eustis.

IDEAS, PEOPLE, AND REWARDS

Last month, four people phoned us looking for a place to give their cost-reduction ideas a hearing. The calls shook us. We had thought that everyone knew about the Government's much publicized suggestion systems and incentive awards programs.

It occurred to us that perhaps one or another of the military departments had set up different channels for rewarding employees cost-reduction ideas. So we asked Army, Navy, Air Force, and DSA to confirm our original impression. They did.

They told us that the one sure way for an employee to have his idea examined, dissected, measured for practicality, and put into practice when it met the test is the suggestion system portion of the Incentive Awards Program. Furthermore, the Incentive Awards Program presents the only avenue through which dollars can be paid for acceptable employee ideas.

Not every idea for which an incentive award is made meets the Cost Reduction Program's stringent criteria for a valid "management improvement action." Consequently, the Cost Reduction Program does not pick up all ideas for which incentive awards are approved.

As a matter of fact, less than 2 percent of the Defense Department's annual cost reductions are derived from the suggestion systems of the Incentive Awards Program. This statistic should not be construed as belittling the individual employee's contribution to the Cost Reduction Program. The fact is that cost reductions do reflect the ideas of many, many people who never took the time to apply for awards. The sad fact is that no one else is going to apply in their behalf. There is no procedure by which credit for an idea automatically is transferred from the Cost Reduction Program into the Incentive Awards Program. The suggestor himself has to start the ball rolling. However, we do think that the organization his idea has helped should seek him out, overcome his modesty, and encourage him to apply for an award. It owes him that much. Also we would like to think that all suggestors receive reasonably prompt, responsive replies in the suggestion system process.

"Strong impulses are but another name for energy. Energy may be turned to bad uses; but more good may always be made of an energetic nature than of an indolent and impassive one."

JOHN STUART MILL, "On Liberty"

CASH FOR MILITARY SUGGESTORS

Cash awards for cost reduction ideas can now be paid to the man in uniform according to Public Law 189-198, signed by the President last September 22.

Previously, rewards for military suggestors of cost-saving ideas were limited to recognition in fitness reports, service records and, in exceptional cases, letters of commendation.

The new law applies to suggestions, inventions, and scientific achievements that contribute to efficiency and economy. The award ceiling for any single improvement is \$25,000 regardless of the number of persons entitled to share in it.

The Senate report on this legislation states that cash awards save money and boost morale. In 1964, Army, Navy, and Air Force accepted 27 percent of the 233,552 suggestions received. Industry has an acceptance rate as high as 30 percent, according to the report. Defense savings attributable to civilian "beneficial suggestions" exceeded \$66 million in fiscal year 1964 and \$80 million in fiscal year 1965. Awards annually total about 3 percent of these savings.

EDUCATING FOR COST REDUCTION

Cost reduction "learning objectives", set by the Defense Logistics Management Training Board, are being sent to all service schools. These objectives are:

- To develop an understanding of the comprehensive scope of the cost reduction program.
- To develop an understanding of the kinds of management actions that produce cost reductions.
- To develop an understanding of the interface between cost reduction emphasis and military effectiveness.
- To develop an understanding of the significance of hard savings.
- To develop an appreciation of the auditing and budgeting aspects of cost reduction.

Schools have been asked to ensure that these objectives are covered adequately in their courses.

The Board's philosophy, according to OSD Chairman Dr. Nathan Brodsky, is that "the soundest cost reduction program is one which is fully integrated into all levels of our military education system."

NEWS COSTS CUT, QUALITY UP



Mrs. Kenneth Gibbar, secretary to the base comptroller, displays old (left) version and new (right) version of Kingsley Field newspaper.

Commercial instead of inhouse publication of the Sentinel, a newspaper serving the 408th Fighter Interceptor Group at Kingsley Field, Oreg., is saving the Air Force \$2,000 annually in manpower and material costs. The commercial version is supported by advertising sold by the private publisher with profits going to him. News space is at the disposal of the installation commander.

Nearly 150,000 pages were published and circulated yearly using the old method and inflexible printing facilities. The new, commercial-enterprise version is more attractively printed and substantially more effective in its presentation of news, feature material, and editorial comment.

TERRIER MISSILE SUSTAINER & BOOSTER REWORK

Terrier Missile MK 7 sustainers and MK 12 boosters, which have become unservicable or damaged by weather, mishandling, or accident, have been reworked or reconditioned by the Navy for fleet use in lieu of new procurement, netting savings of \$296,300.



CASH AWARD EQUALS YEAR'S SALARY

Mr. Yi, Jae Bom, a Korean national employed by the U.S. Army Inchon Petroleum Depot, received a \$400 cash award for cutting tankcar cleaning costs \$8,000 a year. This award is equivalent to an annual wage for the average Korean employed by the Government.

In addition, Mr. Yi received a Department of the Army commendation certificate from the program manager, Lt. Gen. L. J. Lincoln, DCSLOG, Department of the Army. Formerly, empty tankcars were backhauled from Kaya and Kusan terminals to distant Inchon where they remained deadheaded while being cleaned and flushed. As a result of Mr. Yi's suggestion, cleaning facilities were installed at Kaya and Kusan by the contractor at no cost to the Government and the roundtrips to Inchon for cleaning were eliminated.

Mr. Yi's action exemplifies the high degree of dedication and professional excellence exhibited by the many Koreans employed by the U.S. Army.

KEEP EYES OPEN FOR CONTRACTOR INPUT, ADMIRAL ADVISES

Contract Administrators could do a better job of reporting contractor input to the Defense Cost Reduction Program. This message from Rear Adm. J. J. Appleby, Deputy Chief of Naval Material, came through loud and clear at the Navy's 20th aviation supply officers conference in Philadelphia, November 1-3. Admiral Appleby noted that 5 of the 28 areas in the Defense program are designed to reflect contractor cost reduction actions in addition to inhouse Defense actions. The five areas are value engineering, technical manuals, technical data and reports, excess contractor inventory and packaging. Whenever contractor-generated savings in any of these areas are included in the inhouse Defense goals and accomplishments, they are subject to the same scrupulous audit and validation as any other savings in the Defense program.

The admiral stated that the Navy is not capturing all of the contractor contributions in these five areas because contract administration offices and purchasing offices frequently are not as thorough as they should be in identifying and reporting the actions. He advised: "If you, as a contracting officer, contract administrator or a station cost reduction officer, observe a possible savings by a contractor, I urge you to check to see that it is reported . . ."



THROW-AWAY VANES NOW RECLAIMED

Damaged turbine nozzle guide vanes, fan-shaped objects that help establish jet engine thrust, now are reclaimed and repaired at 33 cents each instead of discarded and replaced by new ones at \$35 each.

The Bureau of Naval Weapons estimates the new reclamation process will save \$9.7 million in fiscal year 1966 and \$13 million in fiscal year 1967 in its J-52 and J-57 engine overhaul program. Each engine requires over 200 vanes, many of which become bent, bowed, or distorted from heat and pressure. A system has been developed by which damaged vanes can be furnace-heated to 1,900° F., restructured to original contour in a hydraulic press with dies heated to 1,750° F., and then air cooled.

The reclamation process was worked out by Mr. J. A. Quinn, a mechanical engineer with the Bureau of Naval Weapons.

DOMESTIC AIR TRAVEL TIGHTENED

"Use of less than first class" air transportation for Defense personnel on official travel does not necessarily mean the next most expensive service available. Guidelines issued November 9, 1965, for transportation officers specify that "in using scheduled air transportation, accommodations selected will be the least costly service which will permit satisfactory accomplishment of the mission of the traveler and provide the necessities for passenger comfort and convenience while en route." Reduced use of premium air travel saved Defense \$1.1 million in fiscal year 1965. DoD personnel flew 1.2 billion passenger miles in fiscal year 1961 and 1.6 billion miles in fiscal year 1965. In fiscal year 1961, 62.7 percent went first class; in fiscal year 1965, only 24.1 percent went first class.

A comparison of transcontinental jet fares shows that 111 passengers can travel coach for the same price that 100 passengers travel first class.

Holston Army Ammunition Plant in Tennessee cut \$36,000 from its requirements for railway hopper cars when four were received *gratis* from Joliet Army Ammunition Plant, Ill. Credit the switch to sharp-eyed screeners of surplus lists at the Army Ammunition Procurement Agency.

AWARDS CONFERENCE HEARS COST REDUCTION STORY



Commander H. C. Gurnee, Head of the Navy Cost Reduction Group, described the common goals of the Cost Reduction Program and the Incentive Awards Program to a Navy Incentive Awards Conference held in Chicago on October 27.

Commander Gurnee urged the 82 industrial relations officers, incentive awards administrators, and other management officials in attendance to familiarize themselves with the Cost Reduction Program. He emphasized the importance of a closer coordination between the incentive efforts of the Awards Program and the Cost Reduction Program.

The Navy conference was held following a 2-day conference sponsored by the National Association of Suggestion Systems (NASS), which has in its membership over 1,200 representatives from private industry, in addition to Government personnel. By holding the Navy conference in conjunction with the NASS conference, Navy representatives were able to observe the latest techniques used in both Government and private industry to increase the effectiveness of suggestion programs.

[On November 12, Deputy Assistant Secretary of Defense Robert C. Moot formally commended CDR Gurnee for his "outstanding skill in motivating others to the task of improving management and reducing costs."]

NAVY "WOWS" EFFICIENCY



Bonnie Bethea of the Department of the Navy Cost Reduction Group points to array of "WOW" materials distributed to Navy and Marine Corps activities.

"WOW", a zesty acronym for Navy's "Campaign War on Waste," was kicked off September 15, 1965, for a 2-months run. WOW's objective was to stir up additional cost reduction activity throughout the Department of the Navy. Navy's Cost Reduction Program and Incentive Awards Program started the drive in which 200 major naval activities carried the campaign to 80 percent of the Navy and Marine Corps civilian work force.

A "how to do it" booklet contained the schematics for promoting the campaign, including publicity and "motivational" tips. Other materials were a "cost cutter" form on which employees could record their ideas, a decorative lapel emblem for each employee contributing a usable "cost cutter," and a certificate of merit for outstanding contributions. Additionally, posters, payroll inserts, booklets, flyers, and stickers were provided.

One promotional package highlighted the importance of the supervisor as a motivating force in the search for improvements and innovations.

**TO CUT COSTS, WATCH YOUR "WASTE LINE."
SUGGEST BETTER AND MORE ECONOMICAL
WAYS TO DO THE JOB.**

REEL SAVINGS

Information stored in partially used reels of magnetic tape is now transposed to a single reel, thus releasing the partial tapes for reuse.

Vital scientific and management data is recorded on tape by activities in Army's farflung missile program. The tapes are sent to the Computation Center at Redstone Arsenal, Okla. Each 2,400-foot reel can store 20 million alphabetic characters, the equivalent of a 150-foot high stack of IBM cards. This capacity frequently is beyond the needs of a reporting activity. As a result, few of the 13,000 reels stored at the Computation Center are completely used up. This is expensive underutilization at \$30 per 2,400-foot reel. The solution is to "stack" data from several reels on one reel. In the first 3 months of "stacking," information from 1,728 reels has been recorded on 145 reels. This action has released 1,583 tapes for reuse, saving \$45,000 after deducting "stacking" costs. Substantial additional savings are expected.



Shown above are Mr. William Jones (left), Computer Operations Supervisor and Mr. Herschel Straw, Magnetic Tape Library Supervisor "stacking" the data from 12 reels of magnetic tape into 1 reel.

CANNED WEAPONS LESS COSTLY

A weapon removed from its original metal storage container for maintenance and rework at Seneca Army Depot can be repackaged in the same container for \$1.69 less than the cost of repackaging in the customary wood box.

Shipping instructions prescribing the wood box with

fiberboard inner carton were challenged by depot packaging experts. A technique was worked out to open and reseal the original metal cans, and a waiver was obtained to permit their reuse. The new method is used to repackage pistols, rifles, submachine guns, and other weapons. Fiscal year 1965 savings totaled \$46,500.



Wooden shipping container as prescribed in Springfield Armory Drawing.



Metal storage container completed, resealed and ready for marking and shipping.

"PALLETABLE" CABLE

Telephone cable—91,000 reels of it—would have had to be shipped in 30,000 wirebound boxes with appropriate marking on each box, if Frank Fanrak and Frank Spalletti, preservation and packaging specialists at DSA's Defense Industrial Supply Center, had taken the military specifications at face value. They worked out an exception to the specifications so that the reels could be palletized, 28 to a pallet, saving \$145,846 after subtracting out the increased freight charges for the higher weight.

CONTRACTOR EXHIBITS SET FOR SPRING

Contractors who have found better ways to turn out Defense products will display their management improvement knowhow at Cost Reduction Exhibits in five cities during March and April 1966. The exhibits are being held in conjunction with a new round of Advanced Planning Briefings for industry, similar in scope and purpose to those conducted in 1965 at Los Angeles, Chicago, New York, Dallas, and Washington, D.C. Cities in the 1966 schedule are Boston, March 3-4; Atlanta, March 9-10; St. Louis, March 16-17; San Francisco, April 12-13; and Washington, D.C., April 27-28. The briefings and exhibits are being cosponsored by the Department of Defense and the National Industrial Security Association.

Over 700 representative moneysaving ideas were displayed at the 1965 exhibits. On April 28, 1965, President Johnson sent each exhibitor a commendatory letter.

REPAIR OUSTS CONDEMNATION

A Warner Robins Air Materiel Area radar repairer, Abie G. Giddens, who proposed that a \$2 terminal plate be used for repair of a component on a fire control system antenna rather than condemning the unit, has been presented a \$510 suggestion award by Maj. Gen. Earl C. Hedlund, WRAMA commander. Mr. Giddens' idea resulted in a \$10,374 cost reduction to the Air Force in fiscal year 1965 and is expected to yield more savings in the future.

Mr. Giddens pointed out that there was a plastic terminal plate on one end of the resolver for the fire control system, a highly complex unit for controlling the automatic weaponry of the B-52, the F-101, and other aircraft.

About 30 percent of the resolver units received by his shop for repair had terminal plates either missing or broken. In the past, the entire resolver unit had to be replaced at a cost of \$250.

Mr. Giddens suggested that the terminal plate, which costs \$2, be made available as a spare part. As a result, the cost of repairing the unit has dropped from \$250 to \$2.

COST CONTROLS TIGHTENED FOR NAVY TECH MANUALS

Navy has reduced the cost of aircraft technical manuals through careful definition of tasks to be performed to assure valid cost quotations, the elimination of excess requirements and quantities, the use of "cold-type" compositions, and the adoption of relaxed requirements for the preparation of reproducible copy whenever such use will result in economies. The use of an interim manual change page system and the revision and preparation of individual change pages rather than complete revisions also produce savings.

The Navy's fiscal year 1967 budget estimates would be \$800,000 higher had the Navy not reduced these costs.

AF BOMARCS BECOME NAVY DRONES

Surplus CIM-10A (BOMARC) missiles are being acquired from the Air Force by the Navy to be used as high altitude supersonic target drones. The drones will be used to fulfill the Navy's missile evaluation requirement for which the PQM-56A (CT 41) was originally programed at a cost of \$3.7 million. The \$3.7 million saving from the deletion of PQM-56A procurement is offset by a \$1 million funding requirement for the CIM-10A target program. Net savings are \$2.7 million.

By eliminating the collar stand and back belt on the coats worn by military food handlers, DSA's Defense Personnel Support Center—in cooperation with the Natick, Mass., Army Laboratories—saved \$60,000 over a 10-month period.

GRITTY ENGINEERS BUY HIGHER COST STEEL

Although steel abrasive costs one-third more per pound than chilled iron abrasive in cleaning tank hulls and chassis, it goes more than four times farther, according to engineers at Red River Army Depot, Texarkana, Tex.

Tank rebuild programs at the depot would require annually 1,389,000 pounds of the iron abrasive at \$0.063 per pound compared to 308,667 pounds of steel abrasive at \$0.099 per pound. These figures reflect the fact that iron grit is used up at the rate of 47 pounds per wheel-hour compared to 10.51 pounds for the steel grit. As a result, steel grit worth \$30,558 now does the annual cleaning job on tanks that iron grit worth \$87,507 used to do. Yearly savings total \$56,949.



In photo above, workmen use shot-blast method to clean a tank chassis.

RESOLING OF M113 ARMORED PERSONNEL CARRIER TRACK SHOES

Workers at the U.S. Army Maintenance Plant, Boebingen, Germany, have developed a method of "resolving" track shoes for the M113 Armored Personnel Carrier which saved American taxpayers \$96,000 in fiscal year 1965.

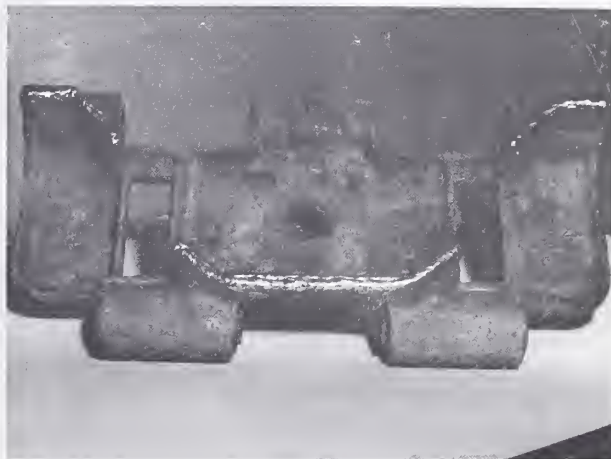
A prospective shortage of replacement track shoes caused personnel at the government-owned, contractor-operated (GOCO) plant supervised by the U.S. Army Industrial Center, Europe, to experiment with

rebuilding shoes by adding weld metal to worn surfaces. Tests of reclaimed shoes on motor pool vehicles at the plant indicated that they could be used in place of new shoes. Reclaimed shoes were subsequently approved for general use.

In addition to the dollar savings, the reclamation improves combat effectiveness by speeding return of armored personnel carriers to the field units.



BEFORE



AFTER

BOMB HOISTS EXTRACT GENERATORS— STOP ENGINE REMOVAL



The Materiel Management personnel of the San Antonio Air Materiel Area at Kelly AFB, Tex., saved the Air Force \$166,100 by finding a way to remove generators from F-102 Delta Dagger aircraft without removing the engine.

The old method of taking a 300-pound constant speed drive from the fighter-interceptor required 91 manhours. Now maintenance technicians need only 34 manhours to accomplish the task.

The speed drive is a generator that provides voltage for the aircraft electrical system at a constant rate, no matter how fast or slow the plane is moving.

Previously, the generator was considered inaccessible until the engine was removed. Using a hoist and carrier to disconnect the speed drive was laborious, time consuming and costly.

Three mechanical engineers from the Service Engineering Division attacked the problem. Bernard

Weidermann (center in photo) found some surplus bomb hoists once used for World War II aircraft. Howard R. Hicks (left) and Capt. John M. Roper produced the hoists for use on the F-102. Under the new procedure, the access panel on the side of the F-102 is removed and the small bomb hoist with its cable attached to a sling is placed around the constant speed drive. Bolts attached to the drive are loosened; the part is then dislodged by winching action of the hoist and lowered through engine access doors under the belly of the plane. Leaving the engine in the plane avoids an operational flight check out of the plane and its electrical system.

Thirty-three bomb hoists will be modified to fill current needs. A standard method has been established for the removal procedure that eliminates costly wear and tear on the J-57 engine and connecting equipment. The versatile modified hoist can be used by any Air Force organization or base.

MAGNET ATTRACTS SCIENTIST'S ATTENTION

By obtaining a surplus Varian magnet, an Office of Aerospace Research (OAR) scientist saved the Air Force over \$17,000.

Dr. Bernard A. Kulp, of OAR's Aerospace Research Laboratories (ARL) Wright-Patterson AFB, Ohio, on a trip to Kirtland AFB, N. Mex., learned of a Varian magnet which was not in use and had not yet been reported as surplus. Dr. Kulp had already submitted a request for the Air Force to purchase a magnet at a

cost of \$18,000. Arrangements were made to ship the magnet from Kirtland AFB to Wright-Patterson AFB. The purchase request was withdrawn. Total cost of shipment and installation at ARL was \$983, resulting in a net saving of over \$17,000.

The 12-inch magnet, now in ARL's Solid State Physics Research Laboratory, is being used in a study of electron paramagnetic resonance absorption in zinc selenide.

AIR FORCE HONORS COST REDUCERS



Air Force Secretary Dr. Harold Brown (photo above) told Air Force commanders that the outcome of the conflict between the Free and the Communist worlds will be considerably influenced by the skill and wisdom with which each side uses its resources. He credited the Air Force Cost Reduction Program with helping to plug any drain on United States resources.

The Air Force Secretary spoke at a luncheon at the Offutt Air Force Base Officers' Club where Air Force

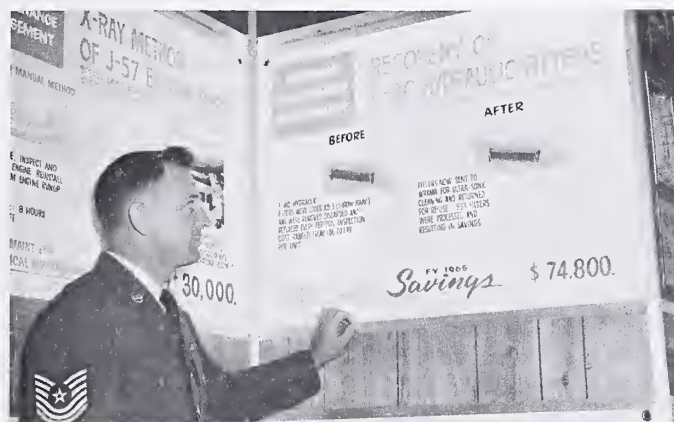
commanders from around the world gathered October 27th to honor more than a score of USAF individuals and commands that contributed significantly to the Air Force Cost Reduction Program during the past fiscal year.

Air Force Chief of Staff Gen. John P. McConnell pointed out that "the relatively small individual savings that many people have made—by coming up with better or less expensive ways of doing a job—are multiplied over and over as their new techniques are applied throughout the Air Force."

Lt. Gen. T. P. Gerrity, Air Force Deputy Chief of Staff for Systems and Logistics, the USAF Cost Reduction Program Manager, accompanied the Secretary and Chief to Omaha and presided at the award ceremony.

"During the past year," General Gerrity said, "more than 35,000 Air Force people contributed individual cost reduction savings. The airmen, officers and civilians honored here are representative of the thousands of individuals throughout the Air Force who participated in cost-saving actions in the effort to obtain more for the Air Force dollar through better management."

During the past fiscal year, the Air Force contributed \$2.2 billion in hard savings to the Department of Defense cost reduction effort. Shown below is M. Sgt. Wayne R. Carle, one of the cost reducers honored at the ceremony. Thanks to Sgt. Carle's efforts F-4C hydraulic filters—formerly considered as throwaways during periodic inspections—now are reused, saving Air Force \$74,800 in fiscal year 1965 alone.



"THERE CAN BE NO ECONOMY WHERE THERE IS NO EFFICIENCY."

BENJAMIN DISRAELI, 1868.



Col. Ralph J. Hallenbeck, Air Force Academy Chief of Staff (right), presents certificates to military and civilian staff members for support of the Air Force-wide cost reduction program. Ideas originated by Majors Stanley C. Kaiser and Jesse L. Miller (second and third from left) and civilian employees Arnold C. Thompson and Russell C. Cox saved the Air Force over \$150,000. S. Sgt. Bill Holland (far left) was commended for his efforts in publicizing the program and C. M. Sgt. John G. Ross (center) for originating administrative procedures to implement the program.

SARDIP SAVES \$2 MILLION

Excess Navy aircraft processed through the Stricken Aircraft Reclamation and Disposal Program (SARDIP) for reclamation of spare parts made \$2 million worth of reclaimed parts available in lieu of planned new procurement for fiscal year 1967.

CHEAPER SHIPPING RATES FOR MISSILE NOSE COVERS

A packing specialist who believes in lower cost shipping rates has given the Air Force missile program more value for its dollars.

Hugh S. Knies, supply packing specialist for the San Antonio Air Materiel Area at Kelly AFB, Tex., thought a charge of \$2,000 per container for shipping missile reentry vehicles to get their aft nose covers modified was exorbitant.

At an updating conference dealing with the nose cone assembly late in 1964, it was decided that modifications on reentry vehicles (that part of the military missile that reenters the earth's atmosphere after firing into space) would be made at the contractor's plant rather than at SAAMA.

Previous experience had shown Knies that the cone could be damaged in shipment through cone abrasion against its canvas covering and because there was no solid protection or edge support for the nose cone. Also, Knies knew that the aft cover which required modification could be shipped instead of the complete

nose cone assembly. An aluminum shield the size of the aft cover was developed by SAAMA maintenance personnel to fit into the vacant space and prevent the cone from getting "out of round."

A requirement for 26 containers put \$52,000 at stake.

Knies designed a container that had definite advantages for the Air Force. His lighter container cost \$55.11, instead of the \$2,000 price tag on the previous heavier container. This resulted in elimination of \$50,534 in costs, including Knies' research time. The lighter box container and the aft cover weighed 700 pounds compared to 2,500 pounds for the heavyweight container and its nose cone assembly.

Cutting back the weight by 1,800 pounds reduced shipping charges by \$13,735. The new container normally can be used indefinitely. The program for shipping vehicles between the contractor, Strategic Air Command and SAAMA has been extended from the original 1 year to a continuing program. Through Knies' managerial ability to comprehend a problem, and do something about it, the \$64,269 savings give "More Air Force Per Dollar."

GENERATORS REUSED



Mrs. Margaret Black, materiel management inventory manager for the San Antonio Air Materiel Area at Kelly Air Force Depot, inspected excess generators to determine which ones could be economically repaired. She then undertook to have the repairable excess generators put in shape at a cost of less than \$61 each in lieu of procuring new generators at \$295 each. These actions netted the Air Force \$802,503. Mrs. Black is shown, above right, with her supervisor, Miss Edith Wiggins, Chief, Electrical Accessories Unit.

ROOFING TECHNIQUE SLASHES OVERHEAD

Reroofing 13 warehouses at Seneca Army Depot cost 38 percent less when new techniques made it unnecessary to strip the old roofs down to their supporting boards.

The old method called for adding five layers of felt and asphalt over the old roof boards and covering each square of roofing with 400 pounds of stone.

Under the new method, the old slag or stone is removed from the roof, the underlying membrane receives a primer coat, and a final liquid coating is then pneumatically applied to combine glass or asbestos fiber with the asphalt. No stone covering is required. The change in specifications reduced reroofing costs from \$41.28 per roofing square to \$25.88, for a total savings of \$148,000.

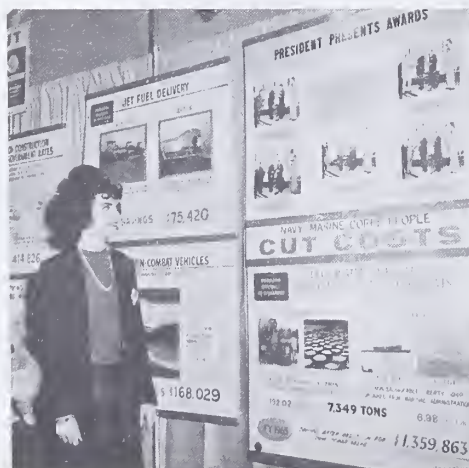
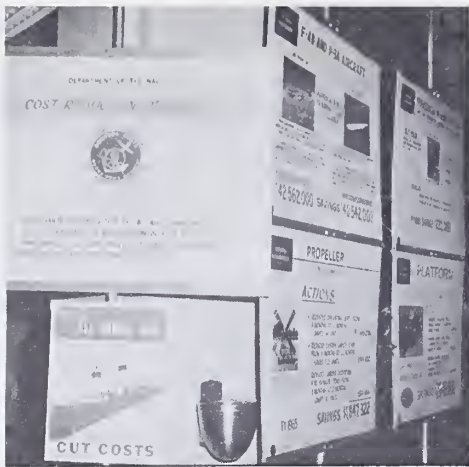
In addition, eliminating the stones reduces future roof sag by cutting 400 pounds per square from the stress on roof supports.

By studying excess property listings, personnel at the Tracy Defense Supply Agency Depot, Calif., reduced procurement requirements by \$14,000 in a few months' time. Among the supply items returned to useful life were: a generator valued at \$4,800; two oscilloscopes at \$1,540; and a reeling machine at \$1,370.

PREVENTIVE "MEDICINE"

Louis Chapa, maintenance aircraft sheet metal worker for the San Antonio Air Materiel Area at Kelly AFB, uses a high speed pneumatic router to modify a B-52 wing surface. Looking on is Jerome Kleinburg, Production Controller. Shavings from this operation formerly caused removal of the rubberized wing fuel tank underneath for cleaning purposes. Now the area between the wing and tank is filled with paper and foam rubber and sealed so that metal shavings cannot damage the tank. Fiscal year 1965 and 1966 savings will total \$974,600.

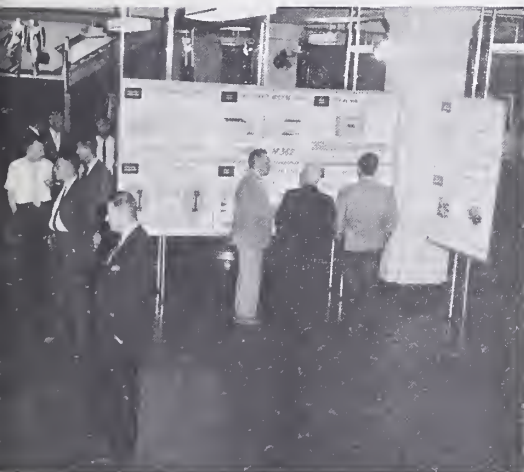
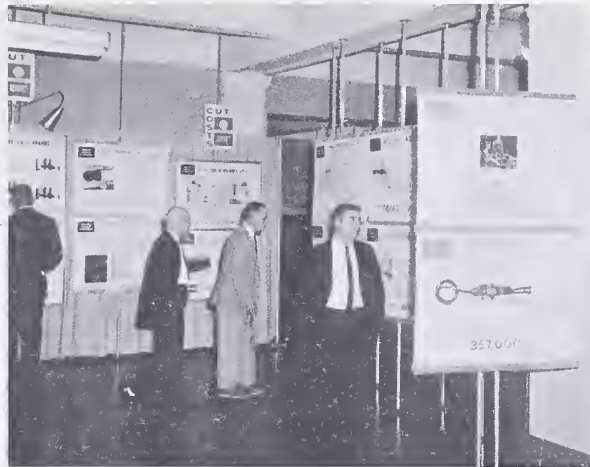




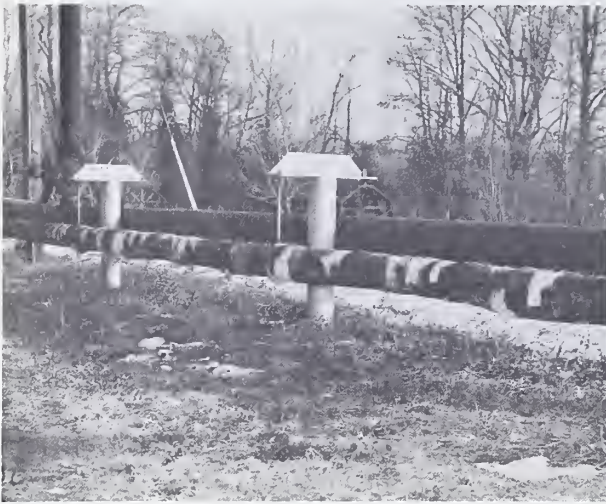
COST REDUCTION DISPLAY

MAIN NAVY
BUILDING LOBBY
(WASHINGTON D.C.)

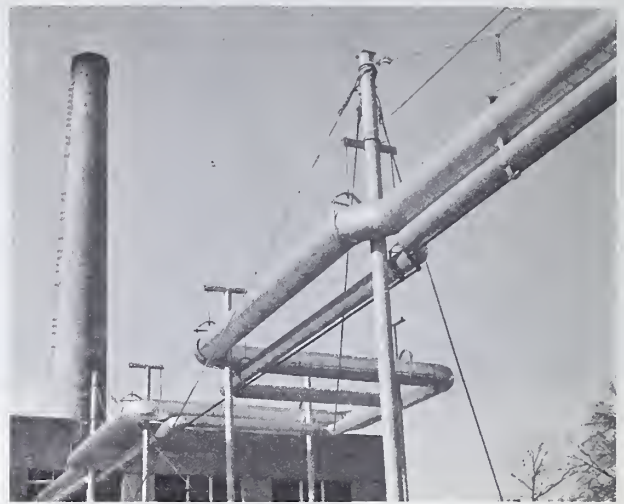
Oct. 18-22, 1965



IMPROVED COVERING FOR STEAM LINES



Old Method



New Method

By converting to a less expensive but more durable covering for overhead steam distribution lines, Edgewood Arsenal of the U.S. Army Munitions Command realized a savings of \$12,000 in fiscal year 1965 and expects to realize substantial savings from this action in the future.

Previously, a tar-coated roofing paper costing \$2.97 a linear foot to install was used to cover the 68,733

linear feet of overhead steam lines at Edgewood Arsenal. This type of covering has a life expectancy of 10 years. Adoption of a suggestion by Louis H. Barnes, an employee of Edgewood Arsenal, resulted in the use of an aluminum jacketing costing \$2.20 a linear foot with a life expectancy of 20 years. This material costs 77 cents less per linear foot and has a 10-year longer lifespan.

REQUIREMENTS STUDY BARS PLANNED PROCUREMENT

Mrs. Helen L. Vogt, Supervisory Inventory Management Specialist at the Army Amunition Procurement and Supply Agency, Joliet, Ill., conducted a high dollar value control study on the atomic-weapon cartridge, which resulted in savings of \$242,000 to the Army.

The cartridge is a component part of the control system of the Nike-Hercules missile system. It is considered to be a "safety spare" in that it is used to maintain a missile in an operational ready condition should it be necessary to replace a nonoperational component at a firing site. In this study, the average quarterly return concept was considered as opposed to computing requirements strictly on demand data and

prior issue experience. Under the average quarterly return concept, the supply analyst projects availability of returns to stock from repair points when computing requirements for stockage. Projected returns are computed as a percentage of assets issued for replenishment during the period covered by the study. The difference between the rate of issue and rate of return represents the attrition or "washout" rate for the item. This net "washout" rate is used in computing procurement requirements. Application of this concept produced a forecasted gain to the supply system of 52 units from repair and maintenance and 4 units from field operations returns. Procurement requirements were reduced by the 56 units at \$4,325 each for a total savings of \$242,200.

WIDE AWAKE IDEA ABOUT SLEEPING

Wide-awake thinking by a Government employee concerned with sleeping-bag costs saved the Defense Supply Agency more than a million dollars in a year's time.

Peter Karnes, a contracting officer at the Defense Personnel Support Center in Philadelphia, sought to find out why invitations for bids on mountain sleeping bags attracted few bidders.

Investigation revealed that the manufacture of sleeping bags consisted of two processes. One involved washing and chemically treating feathers and down used in the bags. The second called for sewing and filling the cloth shells. Karnes found that most sewing

firms were not set up for processing feathers and down and that most feather companies had no experience in sewing shells. As a result, only those few firms able to perform both operations bid on the bags.

Karnes suggested that future contracts be divided into two parts, one for feather and down processing and the other for sewing and filling the shells.

The idea lowered the price of sleeping bags for use by the military services from \$9.57 to \$6.96. Since May 1964, the Defense Personnel Support Center has saved \$1,085,605 on such purchases. Karnes, a veteran of 21 years Government service, received a \$500 award for his suggestion.

TOLERABLE SHAPE

At Wright-Patterson Air Force Base, Ohio, quality audit inspector Jerry E. Jones found that many turbine-bearing supports for J-57 jet engines would require rework and reshaping to tolerances even though less than 1,000th of an inch oversized and less than 25 percent out-of-round. Authority was obtained to approve these nearly perfect supports instead of automatically scheduling them for rework. About 10 percent of these supports received for rework fall within the tolerable limits. Resulting savings in manhours and material exceed \$51,000 per year.

TARPS FROM BLIMP ENVELOPES

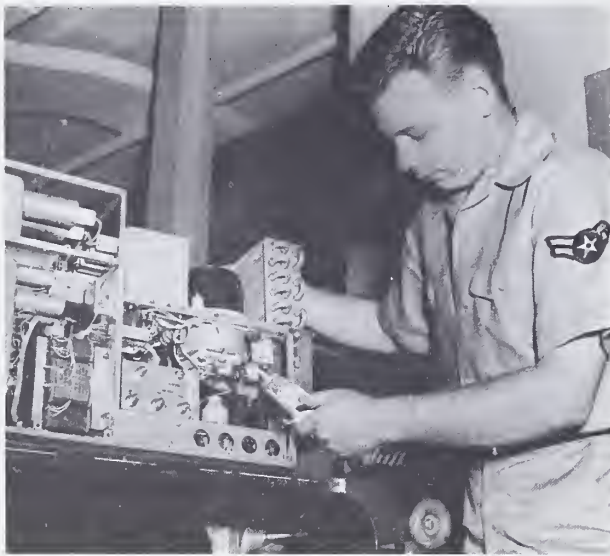
A year's supply of 12' x 20' and 30' x 30' tarpaulins was manufactured from a surplus Navy blimp envelope at one-eighth of the cost of procuring the \$8,000 worth of canvas tarps required annually by Long Beach, Naval Supply Center to cover valuable items (like minesweep cable) stored outdoors. A net saving in excess of \$6,000 was realized after deducting the \$600 cost of shipping the surplus envelope from NSC Lakehurst.

Special features of the new tarps provide added benefits. Temperatures remain at least 10 degrees cooler under the new tarps. Canvas tarps permit penetration of a certain amount of moisture while the new tarps are waterproof. Thus, deterioration of the material or equipment covered is reduced through the improved

protection. Also because the new tarps are very flexible and lightweight, they can be installed on the largest equipment by one or two men without the assistance of a crane. Finally, because the material from the blimp envelope is two to three times more durable than canvas, the entire cost of replacement will be avoided at least every other year.

Although the original intent was to use the blimp envelope for open storage tarps, other uses have been discovered which add to its value. Two examples: For dockside loading of perishable goods during inclement weather, and as a substitute for plastic or other materials to cover private automobiles being deck-loaded on Navy vessels. Harold M. Liedahl, Assistant Director of the storage division at NSC Long Beach, found himself \$350 richer as a result of the award presented him for this idea.

COMPOUND DAMPS COIL VIBRATION



Airman Second Class Julian L. Steinborn, Jr., of Dyess AFB, Texas, demonstrates his method of preserving an electronic countermeasures unit carried on B-52 Stratofortress bombers.

He is applying a standard compound to the wire coils, thereby eliminating excess vibrations that reduce the useful life of the system. His idea has been adopted by the 15th Air Force.

NEW SUPPLY MANAGEMENT PROGRAM HELPS MATS BASES MEET EXPENSES

Hey buddy! Can you spare a bolt? This twist to the panhandler's universal plea is helping MATS bases smooth out year around supply support requirements.

Dubbed Project HOME (Help Others Meet Expenses), the parts-sharing plan already has resulted in

redistribution of 16,000 line items worth more than \$430,000 among six participating bases.

Involved in the test are McGuire AFB, N.J.; Hunter AFB, Ga.; Charleston AFB, S.C.; Dover AFB, Del.; Scott AFB, Ill.; and Travis AFB, Calif.

In the past, shortage of money toward the end of each fiscal year caused bases to pinch pennies by cutting back purchases. Stocks of spare parts, falling in the "bits and pieces" category, often became depleted. The result was a reduction in maintenance capability.

The supply term "bits and pieces" refers to such items as screws, washers, bolts, electrical wiring, etc., low cost expendable items purchased in large quantities.

In a move to solve this chronic problem, the Directorate of Supply and Services, MATS DCS/Material, devised Project HOME.

To obtain supplies through HOME, each participating base prepares a deck of IBM cards listing its needs. These cards are mailed to the other bases in sequence. If requested items are available, they are shipped. If not available, cards are forwarded to the next participating base.

This process continues until the items are shipped or the HOME cards return to their originator.

Success of this program seems to indicate, in MATS at least, that charity does begin at HOME.

REPAIR OF A-3 AIRCRAFT NOSE LANDING GEAR

By grinding corroded, worn, or damaged areas on Navy A-3 aircraft nose landing gear assemblies and then chromeplating these areas to the specified size, the rejection of assemblies and resulting replacement costs have been substantially reduced. During fiscal year 1965, 66 nose landing gear assemblies were salvaged at a unit saving of \$5,287 for a total saving of \$348,942.

NEW ZIP (Continued from page 1)

were still being written and grade-classified. Recruitment will be completed by March 31, 1966.

Most personnel recruited will receive value engineering indoctrination and training through the VE courses at the Army Management Engineering Training Agency, Rock Island, Ill., and at the Air Force Institute of Technology, Wright-Patterson AFB, Ohio. The remainder will undergo orientation and training at their new stations. All training will be completed by June 30, 1966.

The fiscal year 1967 DoD-VE goal of \$500 million in

savings by eliminating goldplating is nearly double the fiscal year 1964 achievement and over one-third higher than fiscal year 1965 results.

Secretary McNamara has asked each departmental Secretary to give his personal attention to the VE program and re-emphasize its importance. He stated that a "positive, aggressive approach to value engineering on the part of all procurement and program manager personnel is essential" and that "particular emphasis must be given to the effective application of value engineering to all major weapon systems."

LETTERKENNY AUTOMATES SHIPPING OPERATION

Take on a 20 percent workload increase. Then decrease assigned personnel strength 4.2 percent! Letterkenny Army Depot did it by repositioning operations in its warehouse complex and installing a power belt conveyor system between warehouses. These innovations reduced shipment costs from \$27.56 to \$21.62 per ton and from \$2.29 to \$1.23 per line item.

The old practice had been to move material from point of storage to point of packaging by stock picker carts, forklift trucks, warehouse tractors, and transport trucks. Parcel post shipments had been routed through two operational warehouses prior to being loaded in mailbags and trucks. The system had required considerable manual rehandling of material.

To raise efficiency, the parcel post operation was shifted from the packaging and packing warehouse to the central bin warehouse where 90 percent of the parcel post shipments originate. Parcel post is now completely conveyORIZED from stock selection to mailbag. Material is handled only once between point of picking and point of packaging and packing.

The two bin reserve warehouses and one central bin warehouse have been linked to the packaging and packing warehouse by a power belt conveyor. The conveyor is covered with aluminum sheeting to protect the material from weather elements.



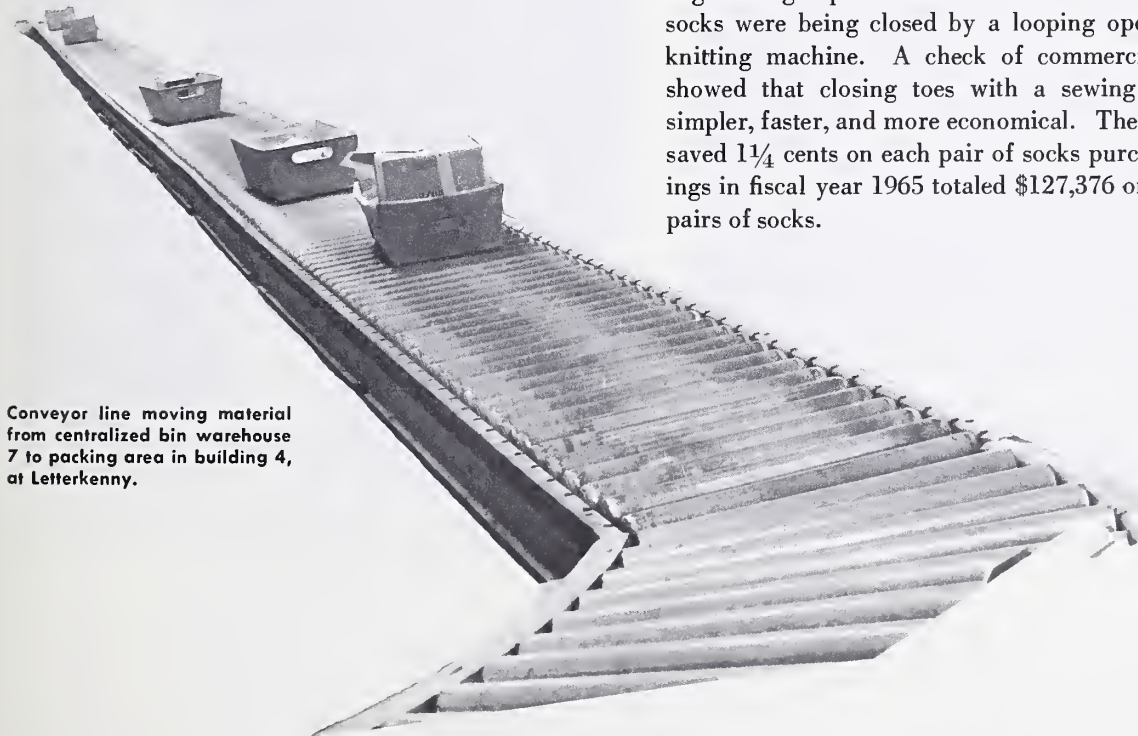
PROGRAM WORKERS RECOGNIZED

Pictured above is Rear Adm. J. J. Appleby, Deputy Chief of Naval Material with awardees Betty Lou Sloper and Charles K. Hall of the Department of the Navy Cost Reduction Program Group.

Mrs. Sloper received a high quality step increase and Mr. Hall received a superior accomplishment award for outstanding work performance in administering the Navy Cost Reduction Program.

SOCK COSTS SOCKED

DSA's Defense Clothing and Textile Supply Center has found a less costly way to close the toe of a sock. Value engineering experts noted that the toes of the military socks were being closed by a looping operation on a knitting machine. A check of commercial practices showed that closing toes with a sewing machine is simpler, faster, and more economical. The new method saved $1\frac{1}{4}$ cents on each pair of socks purchased. Savings in fiscal year 1965 totaled \$127,376 on 10,290,080 pairs of socks.



Conveyor line moving material from centralized bin warehouse 7 to packing area in building 4, at Letterkenny.

LACROSSE EQUIPMENT WORTH MILLIONS REUTILIZED



Though obsoleted by a more advanced weapon system, LaCrosse missile system equipment continues to bolster the other military and civilian programs.

For example, an angular tracker and a shop equipment set from the defunct system are now being used in range tests at the U.S. Army Missile Command. These items are worth \$227,000.

PURCHASE DESCRIPTIONS PHOTOCOPIED

Photocopying commercial catalog descriptions for use in contract actions at NSD San Diego supplanted the old system of typing purchase descriptions on 3" x 7" cards, routing the cards from the Technical Division to the Purchase Division and back again, and proofing the cards against the catalog. Savings average \$1,260 a year.

POST ENGINEER SHADES COSTS—PAINTS PROMISING PICTURE

Keeping a complete stock of all colors of interior paint needed at Fort Greely, Alaska, was costly for the Post Engineer—in manhours, storage space, and money.

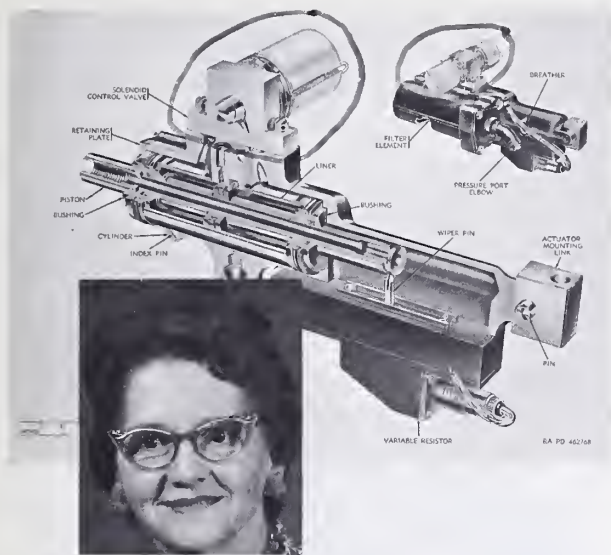
The Engineers had to purchase many of the 12 shades on the local market—at \$5.75 a gallon. The large quantity of paint kept on hand occupied over 200 cubic feet of warehouse space and supply personnel had to keep a close check on existing stocks. A suggestion by Victor T. Halverson, a painter who works for the Engineers, changed all that.

Now only one type of paint is stocked, a base white purchased through supply channels at \$1.65 per gallon. Colors are made up as needed by adding tint—concentrated coloring that occupies little space. A \$2 can of tint suffices to shade up to 20 gallons of base white. The tinted paint is one-third the cost of premixed colored paint, and the tinting system reduces storage space requirements to a fraction of previous needs.

Mr. Robert F. Parsley, Supply Officer at Post Engineers says the new system has worked out so well he is planning to use it for all types of paint now purchased premixed.



At left in photo above is Supply Officer Robert Parsley; at right is painter Victor Halverson, the suggestor.



SHORTER REPAIR CYCLE SAVING \$395,000

Mrs. Mildred V. Kurz was awarded a commendation certificate from Lt. Gen. L. J. Lincoln, Army cost reduction program manager, for her part in reducing repair cycle time from 6 to 3 months for the solenoid valve used in the Nike-Hercules missile system.

Impulses from the ground are relayed through the missile guidance package to the solenoid valve. The valve controls the flow of hydraulic fluid which causes the movement of the fins which, in turn, guide the missile. This valve is exposed to extreme wear and tear, and must be replaced frequently. However, the part is repairable, and resupply is achieved largely by repairing unserviceable items and returning them to stock for reissue.

A supply study prepared by Mrs. Kurz showed that the Army would have to purchase 1,402 additional solenoid valves at a cost of \$282 each unless the depot's normal 6-months repair cycle was shortened. An accelerated depot repair program was set up and unserviceable valves were returned from the field on an expedited basis. Priority was given by the depots to the repair of this critical item over other items not so urgently needed. Through these actions, the repair cycle time was reduced from 6 to 3 months.

This procedure provided sufficient valves to satisfy user requirements, sparing the Army procurement costs of \$395,000.

TEMPERATURE-TAKING STREAMLINED

Temperatures of sensitive Polaris engine motors, previously monitored by traveling attendants during shipment, now are read at checkpoints across the United States by railroad personnel. The results are phoned to Navy's Bureau of Supplies and Accounts in Washington, D.C.

Manpower savings from this switch in procedures totaled \$370,000 in fiscal year 1965. Equivalent savings are forecast for fiscal year 1966.

In addition, faster freight scheduling (in which en-route railroad classification yards were eliminated) reduced coast-to-coast transport time from 10 to 12 days to 6 to 7 days.

ANTENNA DISASSEMBLY REDUCES PACKING

Partial disassembly of antennas and kits to accommodate them to lighter weight, less expensive shipping containers saved Norfolk Shipyard \$71,000. Containers fabricated from double- or triple-wall paperboard have replaced the more costly wood boxes designed for completely assembled items. The change was suggested by David W. Jones, supervisory preservation and packaging specialist at the shipyard. (See photo below.)



SPARROW III VALUE ENGINEERED

Navy value engineering deleted the hydraulic delay unit, dump solenoid, and "G" switch from the Sparrow III missile, an action that will save \$484,398 in fiscal year 1967.

FIBERGLASS RESTORES RIFLE STOCKS

Sgt. Julian N. Chai, a team armorer at the Edson Range Area of the San Diego Marine Corps Depot shows Gen. Wallace M. Greene, Jr., Marine Corps Commandant, his low-cost method for repairing the stock of an M-14 rifle. Previously, cracked or broken stocks were discarded and replaced with new ones costing \$10.57 each. The new repair technique, which costs \$0.34 per stock, calls for routing the damaged area, drilling holes at 45-degree angles in the crack or break, filling the holes and routed areas with fiberglass putty, waiting 18 to 24 hours for the fiberglass to solidify, and then sanding and staining the stock. Repair in lieu of replacement saved the Marine Corps \$14,756 in 3 months.



DIRECT LINE TO SAVINGS

Repairing damaged contacts on automatic telephone switchboard relays by contact welding, cut replacement requirements for contacts and relays \$8,330 in fiscal year 1965 at Norfolk Naval Shipyard.

Above, Electronics Mate Mills M. Johnson demonstrates his repair technique.

AVAILABLE 16-MM COST REDUCTION FILMS

Description	Running Time/Color or B&W	Obtain From:
Secretary of Defense Press Conference, 1965—OSD-9.	28 minutes, color . . .	Army Library Centers.
Presidential Awards Ceremony, 1965—OSD-10.	20 minutes, B&W . . .	Army Library Centers.
Reduce Costs-Suggest MF 20—5028 . . .	10 minutes, B&W . . .	Army & Air Force Library Centers.
Cost Reduction—Everybody's Job—SFP-1265.	15 minutes, Color . . .	Air Force Library Centers.

WASHINGTON AREA MANAGERS, TAKE NOTE!

The Federal Management Conference sponsors monthly luncheon speakers of special interest to professional managers in the Federal Government. These meetings are held at the Presidential Arms, 1320 G Street NW., Washington, D.C., 12 noon to 1:30 p.m. on the first Monday of each month.

FMC also sponsors a technology series. Meetings in the series are held the third Tuesday of each month in the GAO Auditorium, from 10:30 a.m. to 12 noon.

Thomas Morris, Assistant Secretary of Defense (Manpower) was the luncheon speaker on December 6,

and Charles Schultze, Director, Bureau of the Budget is scheduled for March 7, 1966.

Reservations for the noon luncheons are necessary and may be made by phoning any of the following (not later than noon of the Friday preceding each monthly meeting).

Army—Mr. Leon Burnham, 11-75661

Navy—Mr. R. H. Dunnington, 11-67545

Air Force—Mr. T. E. Sims, 11-77808

Other—Mr. Ben Fiore, 110-2968

No reservations are required for the technology series.

SUBMARINE SUPERMARKET

W. E. Bernard, HML1, USN, reports the following streamlining of supply support for submarines in the November issue of the Navy Supply Corps Newsletter.

"One of the newest concepts in logistics support of submarines opened for business aboard the U.S.S. *Simon Lake* (AS 33) late this summer. Designed like a supermarket, the "SUBMART" is a self-service type of operation, complete with rolling shopping baskets, eliminated 80 percent of the management "redtape" involved in normal supply requisitioning, thereby not

only speeding up the receipt of needed material for submarines alongside, but eliminating much of the paperwork for the ship's supply department as well. Captain Osborn (commanding officer) noted that the SUBMART opened with approximately 1,000 line items which could be expanded to nearly 3,000 items.

"The criteria for determining what items are stocked in SUBMART are threefold: high usage rate, low price, and small size. Some repair parts, such as fuses and gaskets are included along with various articles of office supplies, cleaning materials, and other consumable goods."



(Crewmen from U.S.S. *Sam Rayburn* enjoy SUBMART's convenience)

HOT STUFF

Previously waster diesel exhaust is now turned into steam at Baudette Air Force Station, Minn., cutting oil-heating bills almost in half. This waste-heat system produced 10½ billion B.t.u. in fiscal year 1965 in one area of the station at a cost of only \$506 for maintenance. Conventional heating during the same period for all other station areas produced 12 billion B.t.u. at a cost of \$13,500.

TRAILERS REPLACE PALLETIZED CARTONS

Sharp thinking at the Army Ammunition Depot, Miesau, Germany, eliminated the \$31,736 cost of packing and palletizing 152,413 105-mm. shell casings for shipment to the United States as fired ammunition residue.

Shipping instructions called for the casings to be packed six to a cardboard carton, and for every 12 cartons to be palletized for handling. Cartons cost 77 cents each and pallets fabricated in the depot's box and crate shop cost \$5.75 each. The shipment would have required 25,402 cartons and 2,117 pallets. Instead, perceptive depot managers bundled the casing into roll-on, roll-off trailers that were being scheduled to return empty to the United States after discharging their cargo in Europe.

AIR FORCE REGULATORS MATCH NAVY NEEDS

Air Force excess satisfied a critical Navy requirement for 135 voltage regulators for use on certain trailer-mounted, gas-turbine driven auxiliary sets required for A-5 and F-4 frontline aircraft. Overhaul cost was \$95 each, compared with the \$413 price of a new regulator. Savings totaled \$42,930. Joseph Weiss of the Navy Aviation Supply Office, Philadelphia, Pa., received a Superior Accomplishment Award and \$865 for the savings action.

IN-DEPTH REVIEW SURFACES UNNEEDED DATA

Navy reports that a cost-oriented BuWeps review eliminated \$102,000 of unneeded manufacturing data from fiscal year 1965 contract requirements in the SUBROC (Submarine Rocket) missile program.

SUPPLY CENTER DEMURS TO DEMURRAGE

Navy Supply Center, Norfolk, has a new system for cutting costly delays in railcar unloadings.

It is normal commercial practice for freight recipients to pay a penalty for delaying a railcar by failing to unload it on time. This penalty is called a demurrage cost. NSC Norfolk has an agreement with the Norfolk & Western Railroad and the Chesapeake & Ohio Railway Co. which provides for 2 days free time for unloading each railcar received. Any time in excess of 2 days (excluding weekends and holidays) is charged at the rate of \$5 per day for the first 4 days, and \$10 per day for each day in excess of 4. If a car is unloaded in 1 day, the free time remaining (1 day) can be used to offset any of the first 4 days of demurrage; excess demurrage (more than 4 days) cannot be offset by credits gained during free time. Demurrage costs in excess of 4 days must be paid by NSC Norfolk.

Demurrage costs at NSC Norfolk dropped from \$30,100 in fiscal year 1962 to \$4,400 in fiscal year 1965 on equivalent freight volume, when Tina McDonald, a shipment clerk, arranged a system of priority unloadings and quick notification to department heads for cars running out of free time.



DEMURRAGE CONTROL

A MESSAGX WITH SPXCIAL MXANING

Xvxn thought my typxwritxr is an old modxl, it works quitx wxll xxcpt for onx of thx kxys. I havx wishxd many timxs that it workxd prfxctly.

Thxrx arx 43 kxys that function wxll xnough, but just onx kxy not working makxs thx diffrxncx.

Somxtimxs it sxxms to mx that a Cost Rxdution Program is somxthing likx my typxwritxr—not all thx kxy pxoplx arx working proprly. You may say to yoursxlf, “I am only onx pxrson. I won’t makx or brxak a Cost Rxdution Program.”

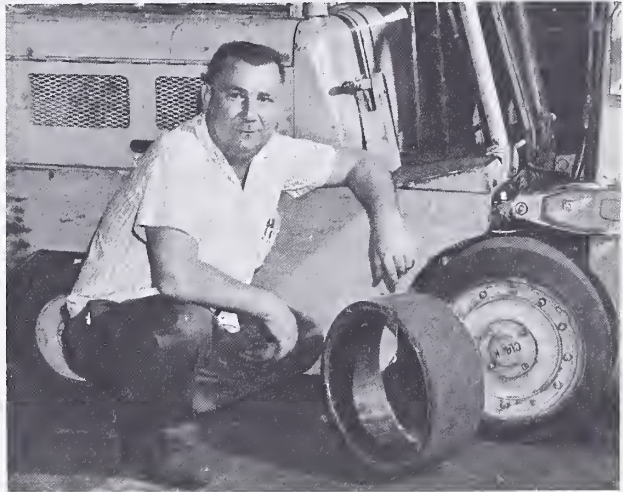
But it doxs makx a diffrxncx bxcaxs a Cost Rxdution Program, to bx xffctivx, nxxds thx cooprxation of xvxy pxrson rlatxd to that program.

So thx nxxt timx you think you arx only onx pxrson and that your xfforts arx not nxxdxd, rxmxbxr my typxwritxr and say to yoursxlf, “I’m a kxy pxrson in our Cost Rxdution Program and nxxdxd vxry much.”

Reprinted from DCASR, Nov.–Dec. Issue
“Conservation-Cost Reduction Digest”

RECAPS RETIRE FORKLIFTS

By scouting local sources for needed sizes of recapped tires for forklifts, Ben Teixeira—an automotive mechanic at NSC Pearl Harbor for 22 years—cut \$2,000 from annual requirements for new solid rubber tires.



Shown above is Mr. Teixeira with wornout forklift tire and recap.



ECONOMY BECOMES BINDING

The Navy’s Bureau of Yards and Docks reduced the cost of publications by substituting less costly binders saving \$72,797 in fiscal year 1965.

Savings were achieved by substituting binders of linear polyethylene plastic (average cost of \$0.28 per binder) for elastic plyhide (average cost of \$1.04 per binder) in publications produced by the Bureau. The elastic plyhide binder is composed of material heat-sealed around a cardboard insert; the linear polyethylene binder is made from firm material requiring neither a stiffening agent nor heat-sealing.

Mrs. Hazel Hanback, Director of the BuDocks Publication Division, who obtained a change in the policy requiring the more costly binder, is shown receiving Presidential congratulations for the cost reduction action.

GUARD AGAINST EFFICIENCY LETDOWN, SEMINAR ADVISED

"Our first requirement is to support Southeast Asia operations and provide the required level of military readiness for U.S. Forces . . . Second, and equally important, the budget must incorporate every conceivable action designed to increase efficiency and reduce costs."

Brig. Gen. E. G. Hardaway, comptroller and director of programs for the Army Materiel Command, gave this message to the 97 attendees at a cost reduction seminar held November 17-18 in Hillcrest Heights, Md., just outside Washington, D.C.

Represented at the seminar were subordinate AMC commands and installations, the AMC cost reduction program manager, the Army Audit Agency and the Cost Reduction Directorate in the Office of the Secretary of Defense.

Col. Jack H. Alston, OSD Director for Cost Reduction Policy, reminded the group that the "President has called us the pace setters of Government in finding, new sound management practices." Colonel Alston pointed out that "we intend to continue to be the pace setters and—to do so—we must not let good management practices fall by the wayside in the heat of the stepped-up tempo of operations."

CLIMATE JOLTS VOLTS

Aerospace ground equipment maintenance technicians of MATS 63d Troop Carrier Wing, Hunter AFB, Ga., felt that Georgia's moderate climate would permit C-26 generator sets to operate with just one battery. The generators normally require two 24-volt batteries.

Yearlong tests proved their theory, and one battery has been removed from each of Hunter's 40 C-26 generator units. Reducing the number of batteries from 80 to 40 also cut the time required for daily inspection and service.

GRASSROOTS PROJECT MAKES CONCRETE SAVING

Substitution of grass for concrete in a storm drainage project in the Lajes Field (Azores) family housing area saved \$106,000. Originally, \$115,000 had been set aside for installation of 7,000 feet of concrete gutters and almost 4,000 feet of underground piping to control water resulting from heavy rains.

Study of drainage patterns resulted in a decision to substitute sodded drainage ditches and minor curbing for the concrete gutters and piping at a cost of \$9,000.

NAVY VALUE-ENGINEERS A-6A AIRCRAFT

Because of 13 design changes made to the A-6A aircraft since fiscal year 1964, the Navy's fiscal year 1967 budget estimates are \$4,255,700 less than they would otherwise have been. The changes are related to windshield heating, hydraulic pumps, oxygen pumps, tail assemblies, air oil coolers, tailpipes, steel manufacturing techniques, radome testing, assembly techniques, and optical sight systems.

PARTS ROLL TO PLANE

A compact spare parts warehouse on wheels that rolls right up to the job, spares the aircraft technicians a daily 35 minutes of frequent walks to the supply center at Sacramento Air Materiel Area.

George D. Andrews, chief of the F-105 production control section in SMAMA's directorate of maintenance, is responsible for the new cost-cutting procedure.

Andrews heads a team of 58 dispatchers and schedulers who provide thousands of spares for workers on the assembly line in SMAMA's maintenance hangar where safety modifications are made on the F-105 Thunderchiefs, currently being flown in Vietnam sorties. This timesaver was worth \$84,000 to Air Force Logistics Command last year.

MACHINE "DICTATES" SAVINGS

At Sheppard AFB, Tex. a leased commercial dictaphone-dictacord recording machine for recording ground-controlled final approach of aircraft has been replaced by a Government-owned, four-channel tape recorder saving \$79.50 per month.



Lt. Gen. L. J. Lincoln, USA
Department of the Army



Vice Adm. Ignatius J. Galantin, USN
Department of the Navy



Lt. Gen. T. P. Gerrity
Department of the Air Force



Maj. Gen. Victor MacLaughlin, USA
Defense Supply Agency

The four Defense officials shown here have a direct responsibility for the success of the Defense cost reduction program. Their goals for fiscal year 1966 are: Army—\$1,164 million; Navy—\$1,827 million; Air Force—\$2,701 million; and DSA—\$185 million.

SAVINGS \$414,826

CONTRACTOR SHIPS AS NEW, PRESTANDARD MATERIAL GATE 124-111-150

IMPROVED TRANSPORTATION & TRAFFIC MANAGEMENT

THRU-BILL OF LADING SHIPMENTS OF HOUSEHOLD GOODS

USE OF CONTAINERIZED DOOR-TO-DOOR SERVICE BILLED ON A SINGLE DOCUMENT SAVED THE DEPT. OF DEFENSE

POWER SUPPLY A/N ARC-34 RECEIVER-TRANSMITTER

48,000

REAR CASE ASSEMBLY R 2000 AIRCRAFT ENGINE

EXTENSIVE WEAR IN THE REAR MAIN OIL PUMP DRIVE CAVITY RESULTED IN THE SCRAPPING OF OTHERWISE SERVICEABLE REAR CASES

NEW PROPOSED COST \$1,267.10

THE CONTRACTOR'S VALUE ENGINEERING CHANGE PROPOSAL FOR A CASE RECLAMATION SHOWS A TOTAL OF A SERVICEABLE REAR CASES REJECTED SAVINGS - \$105,932 PER UNIT

MISSILE STORAGE CRADLES

FUNCTION: HOLD & PROTECT MISSILE/TARGET AND REMOVE FROM SHIP AND AT DEBITS

BEFORE AFTER

UNIT COST \$2,000 UNIT COST 266.51

REDUCTION IN VACANCY LOSSES

REDUCING INVENTORY TURNOVER TIME SAVES BASIC ALLOWANCE FOR QUARTERS VACANCY LOSSES DERIVED FROM 2,000,500 DOLLARS IN FY 1965 TO 800,000 DOLLARS IN FY 1966

1,200,500 DOLLARS 4.55 AVERAGE RAO PER DAY

CONSOLIDATION OF SHIPMENTS

NON-COMPETITIVE ORIGINAL CONTRACT NEEDED SOLE SOURCE 17 UNITS PROCURED EACH

COMPETITIVE 4 UNITS RECEIVED

RESULT 18 UNITS PROCURED EACH

SAVINGS PER UNIT \$1,100

LOAD CENTER FOR HAWK

4 MISSILE LAUNCHERS REQUIRED GENERATOR EACH AT EACH LOAD CENTER

LIVE CENTER FABRICATED INADVERTENTLY 4 GENERATORS 4 LAUNCHERS REQUIRED 72 GENERATORS REDUCED GENERATOR

SPARROW MISSILES

USED IN AIR-TO-AIR COMBAT ON F-4 DURING

AIR FORCE SUBMITTED A BUY OF 1200 SPARROW MISSILES IN FY 1966 AT A COST OF \$32,500 EACH

FY 1966 SAVINGS \$19,000,000

MISSILE STORAGE SUPPORTS

ATLAS MISSILES USE EXPENSIVE "STRETCH" TYPE SUPPORTS AND EXCESSIVE STORAGE SPACE INCREASED STORAGE REQUIREMENTS DUE TO ATLAS PHASEDOWN DICTATED LESS EXPENSIVE STORAGE PROCEDURES

AN IMPROVED MAINTENANCE PROCEDURE AND DESIGN CHANGE DELETED THE STRETCH REQUIREMENT AND PERMITTED MANUFACTURE OF LOWER COST SUPPORTS

CLEAR LIGHT INCANDESCENT LAMP

Production Lead Time Reduced To 2 MONTHS

PRODUCTION LEAD TIME INITIALLY ESTABLISHED AT 6 MONTHS UPON ASSUMPTION OF MAINTENANCE RESPONSIBILITY BY DCA IN JULY 1964

SPECIAL STUDY CONDUCTED IN DECEMBER 1964 DETERMINED LEAD TIME COULD BE REDUCED TO 2 MONTHS

QUANTITY REDUCED: UNIT PRICE: 0.71

FY 1965 SAVINGS \$194,289

AIRCRAFT RADAR ANTENNA REFLECTOR

DISCARDED WHEN DAMAGED

BUY NEW REFLECTORS

COST \$154 EACH

PRECISION STRAIGHTEN DAMAGED REFLECTORS

COST \$125 EACH

(80 REFLECTORS)

FY 1965 SAVINGS

BOARDS

FOR BILWINDER MISSILE

NON-COMPETITIVE PRICE \$6655.48

COMPETITIVE PRICE 3571.00

SAVINGS 3084.48

FY 1965 (2420 UNITS)

7464,942

UTILIZATION OF BOMARC MISSILES

NAVY PLANNED TO PURCHASE SUPERSONIC TARGET DRONES INSTEAD OF MISSILES AND RELATED EQUIPMENT TRANSFERRED TO NAVY ON A NON-RENEWABLE BASIS

THE BOMARC MISSILES WILL BE UTILIZED BY NAVY IN TARGET DRONE PROGRAM AS HIGH SPEED SUPERSONIC TARGETS. PLANS FOR PURCHASE OF NEW DRONES WERE CANCELLED

SAVINGS \$3,500,000

TANKER'S HELMET

FUNCTION: PROTECTS HEAD, CONTAINS COMMUNICATIONS EQUIPMENT

BEFORE 180.95

AFTER 23.38

2139 TANKER'S HELMETS WERE REQUIRED TO EQUIP TRAINING

TESTS SHOWED THAT MODIFIED EQUIPMENT HELMETS COULD PERFORM SAME FUNCTIONS

FY 1965 SAVINGS \$123,160

JET FUEL DELIVERY

BEFORE AFTER

BATTERY JARS

COST OF NEW JARS \$980,864

COST OF REPAIR \$131,585

FY 1965 SAVINGS

SHOP SET EQUIPMENT

95 ITEMS DELETED FROM SET AS RESULT OF

SAVINGS \$1176,400

TECHNICAL MANUAL

TECHNICAL MANUAL